

# Country of Origin Labeling



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# Country of Origin Labeling



- Provision of the 2002 U.S. Farm Bill.
- Provides for the country of origin labeling by retailers of covered commodities.
- Provides for the labeling of fish and shellfish products as either wild or farm-raised.



# Country of Origin Labeling



- Definition of a retailer:

The law references the Perishable Agricultural Commodities Act for the definition of a retailer.



# Country of Origin Labeling



- **Retailer:**

A business engaged in the selling of fresh and frozen fruits and vegetables at retail with an annual invoice value of more than \$230,000.



# Remotely Purchased Products



- Retail sales where the customer makes the purchase prior to observing the final package (e.g., internet sales and home delivery sales).
- Country of origin notification must be on the sales vehicle.



# Labeling of Covered Commodities Marketed by Others Besides Retailers



- Examples of outlets exempted from this program:
  - Food Service Establishments
  - Butcher Shops
  - Fish Markets
  - Small Grocery Stores
  - Exporters



# Country of Origin Labeling



- The law provides for two distinct consumer notification programs:
  - Voluntary guidelines.
  - Mandatory regulations.



# Voluntary Guidelines



- Issued October 11, 2002.
- Effective immediately.
- Provides the framework for consumer notification, product marking, and recordkeeping.





# Voluntary Guidelines



- Key Issues:
  - Defining a covered commodity.
  - Labeling products of U.S. origin.
  - Labeling imported products.
  - Labeling products of mixed origin.
  - Labeling blended or mixed products.



# Voluntary Guidelines

- Key Issues (*continued*):
  - Methods of notification.
  - State and regional labeling programs.
  - Verification and enforcement of guidelines.



# Defining a Covered Commodity

- Covered commodities include:
  - Beef – muscle cuts and ground.
  - Pork – muscle cuts and ground.
  - Lamb – muscle cuts and ground.
  - Fish and shellfish - wild and farm-raised.
  - Fresh and frozen fruits and vegetables.
  - Peanuts.



# Defining a Covered Commodity



- Covered commodities are excluded if an:  
“*ingredient in a processed food item.*”
- Term not defined in the law.



# Defining a Covered Commodity



- Guidelines define “*processed food item*” as:
  - A combination of ingredients that include a covered commodity but the identity of the processed food item is different from that of the covered commodity; or
  - A materially changed covered commodity.



# Defining a Covered Commodity



- Examples of covered commodities excluded since they are an ingredient in a processed food item with a different identity:
  - Ready-to-cook beef Wellington.
  - Ground beef in a meal mix.
  - Fish in Sushi.
  - Apple slices in a pie crust.
  - Peanuts in a candy bar.



# Defining a Covered Commodity



- Examples of covered commodities excluded since they have been materially changed:
  - Cooked, cured, smoked, or restructured meats.
  - Ground meats with added ingredients (e.g., sausages).



# Defining a Covered Commodity



- Examples of covered commodities that will require labeling:
  - Solution-enhanced and seasoned pork loins.
  - Frozen ground beef patties.





# Labeling Products Produced Exclusively in the United States

- Beef, Lamb, and Pork: Must be derived exclusively from animals born, raised, and slaughtered in the United States.
  - Includes beef from animals born and raised in Alaska or Hawaii and transported for a period not to exceed 60 days through Canada to the U.S. for slaughter.



# Labeling Products Produced Exclusively in the United States



- U.S. origin products may be labeled as U.S. origin after export and subsequent reentry into the U.S. only if a verifiable recordkeeping audit trail was maintained.
- Otherwise, such product will be labeled in conformance with existing laws.



# Labeling Imported Products



- Labeled in conformance with existing Federal law at the time the product arrives at the U.S. port of entry.



# Labeling Imported Products



## Example

- An imported beef carcass fabricated into cuts in the United States would retain the origin of the exporting country.
- Products from such carcasses are not eligible for a U.S. origin labeling claim.



# Labeling Products of Mixed Origin



- Labeled with the processing steps that occurred in one or more foreign countries and with the processing steps that occurred in the United States.

Or

- Labeled in conformance with existing Federal law at the point of entry into the U.S. and with the processing steps that occurred in the U.S.



# Labeling Blended or Mixed Products



- If the constituents can be individually identified (e.g., meat loaf mix), each constituent must be labeled.
- If the constituents cannot be individually identified (e.g., a ground beef mixture), constituents must be labeled in order of their predominance by weight.



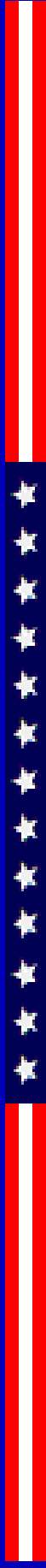
# Method of Notification



- Country of origin notification may be provided by a label on the product, package, display, or bin.
- The label must be in English and not obscure other required information.
- This requirement does not supercede any other labeling requirement.



# State and Regional Labeling Programs



- Marketing programs such as:
  - “*Nebraska Beef*”
  - “*Iowa Pork*” and
  - “*California Grown*”cannot be accepted in lieu of country of origin labeling.





# Verification of Country of Origin Labeling Claims Under the Voluntary Program



- Retailers and their suppliers shall maintain a verifiable recordkeeping audit trail to verify claims.
- Self-certification (affidavit) does not meet this requirement.



# Verification of Country of Origin Labeling Claims Under the Voluntary Program



- AMS has no authority to pursue enforcement action against entities participating in the voluntary program.



# Verification of Country of Origin Labeling Claims Under the Voluntary Program



- AMS will encourage everyone who chooses to participate in this program to work with the Agency in setting up a documented system.



# Feedback on the Voluntary Guidelines



- The Agency requests feedback on the utility of these voluntary guidelines.
- Comments received by April 2003 will be considered in the development of the mandatory regulations.



# Mandatory Regulations



- Regulations to be promulgated by September 30, 2004.
- AMS to begin regulations development by April 2003.
- Compulsory program.



# Mandatory Regulations

- Will include an enforcement program administered by AMS and State agencies.
- Enforcement – Violations can result in a fine of \$10,000 per offense.



# Country of Origin Labeling



**For More Information:**

**<http://www.ams.usda.gov/cool/>**



Marketing and Regulatory Programs